



No more welcomes to Barcelona. The main talking point at Bread&Butter on the first day was its possible return to Berlin.

## Bye-bye Barcelona

*Young fashion exhibition Bread&Butter kicked off in Barcelona on Wednesday. And it is likely to be the last time the event will take place in the Catalan capital. Bread&Butter chief Karl-Heinz Müller is said to be heading back to Berlin, or possibly Milan or Marseille.*

**Bread&Butter** is set to turn its back on Barcelona. Confirming recent speculation, sources in Spain have started to lament the departure of the event and the roughly € 100m the city is said to have earned with it. "The industry needs movement. It's time to move," Bread&Butter chief Karl-Heinz Müller,



below, said but would neither deny nor confirm Spanish press reports that he would return the event to Berlin, where it was originally launched. Officials in the German capital are already cheering the comeback of Bread&Butter, many believed will be staged at the former Tempelhof airport, which shut down in October last year. A Bread&Butter team has been spotted while shooting an advertising spot for the exhibition in Berlin.

**Karl-Heinz Müller** said he was currently examining various locations and was in talks in various cities. "It is true that Berlin and Milan are the hottest options. Marseille is also interesting," Müller says. About Berlin he says that it was a great city, but that investments in Tempelhof would be huge. And nobody had been able to fill the gap left in Berlin yet when Bread&Butter moved to Barcelona. High-end event Premium had not really grown and Berlin Fashion Week was mainly for young designers, according to Müller. He also says he has not entirely given up Barcelona, because he had not settled on a new location yet. Bread&Butter reached an all-time high in summer last year, when it attracted almost 90,000 visitors. Fira de Barcelona would not comment. And Müller is always good for a surprise: "A phantastic idea would be to steer the event through the free-trade zones on an aircraft carrier," he concluded.

## Luxury goods slump hits Burberry

*The world's most famous check will axe 540 jobs to cut costs.*

**Burberry** is the first global luxury player to officially announce job cuts amid clear signs of stalling consumption among rich shoppers. The British fashion house will lay off 9% of its total workforce as part of an extended cost-cutting plan aimed at reducing expenses by up to £ 35m (€ 37.5m) annually starting next financial year. Some 290 jobs will go in the UK, where Burberry will close a sewing facility thus consolidating production in a single factory. In spring 2007, the group had closed a site in Wales to outsource production to China.



Burberry CEO Angela Ahrendts says the savings will help the group "trade through the current difficult environment".

**Thomas Burberry** will disappear from the market. The underperforming label was made mainly for the Spanish market, where Burberry plans to streamline operations "to reflect the lower level of sales". In Spain, 250 jobs will go. Burberry announced the cuts as it reported a 3% drop in like-for-like store sales for the third quarter ended 31 December 2008. All markets showed double-digit growth apart from Spain, where sales fell 20% and the US, where heavy discounting led to a double-digit drop. The group's total sales rose 30% to £ 329m.

## Roberto Cavalli finds investor

**Roberto Cavalli**, right, plans to sell a 15% to 20% stake in his namesake company to Italian private equity group Clessidra.



The 68-year old Italian designer has been seeking an investor since spring 2008. Earlier offers for the group he values at € 1.4bn were considered too low by Cavalli. He is now in exclusive talks with Clessidra and targets a listing in three to four years, according to an Italian newspaper.

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## Hugo Boss loses another top man



**André Maeder**, left, has quit as sales chief of the German fashion house to become CEO of Swiss clothing group Vögele.

His departure follows those of ex-Boss chief Bruno Sälzer and buying head Werner Lackas. Hugo Boss also named ex-Façonnable boss Mark Brashear as head of its US business. The group may cut 150 jobs in Germany to reduce costs.

## Samsonite shakes up top management

The US luggage specialist has parted ways with CEO **Marcello Bottoli**, below, as part of a wider review of the "senior management structure as a whole". CFO Rick Wiley has also left. Both departed to pursue new opportunities,



Samsonite said. Tim Parker has been promoted to executive chairman. Kyle Gendreau has been named as CFO.

## Etam to pull out of three markets

The French fashion retailer will close its 92 womenswear stores in Belgium, Italy and India as part of a cost-cutting plan. The stores reached sales of € 25m last year. The news came as the group led by **Richard Simonin**, below, reported a 5% drop in like-for-like sales for 2008. Total sales inched up 0.7% to € 970m. Etam runs 3,290 stores.



## Karstadt names new boss for KaDeWe

The well-known Berlin department store has a new chief. **Ursula Vierkötter**, right, replaces Patrice Wagner, who will leave the company on 31 January to pursue new opportunities. Most recently, Vierkötter headed the Cologne store of KaDeWe parent Karstadt. Wagner has been at the helm of KaDeWe since 2001, when he joined from French retail group Galeries Lafayette.



## Denim nostalgia

*The right shirt for urban cowboys.*

The lumberjack shirt has made its comeback. Workers' trousers are also on their way back into fashion. Back to the roots is hot. And the next country-style item can already be spotted on the high streets: the denim shirt makes the nature lad look complete. There is a strong longing in fashion to be in harmony with nature. And everyone dreams of the countryside. Who can't make it to green pastures at least wants to look rustic. But not too rustic. The new denim shirt is 70s style. It is slim and tapered. Sophisticated and cool. Beware of too much denim: if you wear the shirt to jeans then only if they have different washings or colours. The best way to wear the denim shirt is with woollen retro trousers and tidy chinos. Denim all over is only for real cowboys.



From left to right: Drykorn, Closed.

## In depth

As demand weakens and prices fall, **retail gloom** in the US is growing. Players like Neiman Marcus, Macy's and Phillips-Van Heusen have announced **store closures** and **job cuts** to trim costs in an environment of retail **carnage** that has hit Gottschalks, Goody's, Mervyns and more. Following news of a 2.7% retail sales drop in December, the International Council of Shopping Centers forecast a **1.8% decline** for 2009 after a 0.9% fall last year. At least 150,000 of the 1.1m stores in the US are expected to close. What are the **solutions**? Only companies with a strong capital basis will remain, so **cut costs**. That was the message from the Annual Retail-&Expo of the National Retail Federation (NRF). But the right **investments** will also be key to surviving recession, Stacy Janiak from consult-

ants Deloitte reckons. "Retailers who stay the course and ignore investments in strategic **IT programs** will not be equipped to lure consumers seeking both value and information," Janiak says. **Urban Outfitters** administrative chief Freeman Zausner also sees the Internet and the

JC Penney chief Myron Ullman said at the NRF meeting that retailers will have to "cut capital expenditure, be more prudent with inventories and adopt shorter lead times" to survive the crisis.



use of web technology as crucial for future growth. He expects group online sales to grow to 20% of total sales this year. **Neiman Marcus** boss Burt Tansky warns of price reductions that reached 85% over Christmas: "Retailers must get away from **deep discounting**. It is the road to hell". The advice of **Abercrombie&Fitch** boss Michael Jeffries was more spiritual: "Trust your business partners. Working passionately will bring us back to more promising times".